

Housing Authority - County of Los Angeles

November 20, 2007

To: Each Supervisor
From: Carlos Jackson, Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8
HOUSING PROGRAM**

On March 13, 2007, your Board instructed me to report monthly on our progress to remove the Section 8 program from its "troubled" status, as rated by HUD's Section Eight Management Assessment Program (SEMAP). This report covers the period of October 18, 2007 – November 16, 2007 and provides information on the following:

- Notice of SEMAP Standard Performance for FY 2006-2007
- Corrective Action Plan (CAP) for FY 2005-2006, approved by your Board on August 21, 2007.
- HUD Advisor (The Nelrod Company)
- Current Performance Status
- Office of Inspector General (OIG) Audit

SEMAP

I am pleased to report that we recently received our SEMAP letter from HUD, which states that the program received a "Standard" performance rating for FY 2006-2007 (Attachment A). Because of our prior poor performance, the overall score must be confirmed through an on-site HUD review scheduled to take place in January 2008. In addition, HACoLA must complete the tasks identified in the CAP to remove the program from "troubled" status.

CAP

The third and final group of CAP items was submitted to HUD today, which reflects performance objectives completed through November 15, 2007 (Attachment B).

Also, as you are aware, the CAP requires that the Housing Authority Commission, your staff, and Housing Advisory Commission receive formal training on the Housing Choice Voucher Program (Section 8). Last month, the Division executed a contract with Housing Telecommunication, Inc. to provide this training. By separate memorandum (November 8, 2007), instructions on accessing the self-paced, web-based training program have been provided to your staff and the training is available on-line at your convenience.

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I understand that some Commissioners have begun accessing the on-line training materials. I hope you are able to complete the training and certification by December 14, 2007. Once everyone identified in the November memorandum completes the training course, I will report this to HUD in order to close this part of the CAP.

HUD Advisor On-Site

The HUD Advisor, the Nelrod Company, continues to provide assistance in the following areas:

1. Determination of Adjusted Income Performance
2. Lease-up
3. SEMAP Documentation for FY 07-08
4. Effective YARDI Implementation
5. Annual Re-examinations
6. Enforcement of Housing Quality Standards (HQS)
7. Housing Quality Standards Annual Inspections

In addition, over the last couple weeks, the focus has been in preparing HACoLA for the FY 2006-2007 SEMAP on-site confirmatory review to be conducted by HUD.

FY 2007-2008 Performance Status

The following is the current performance status on the three most critical indicators for FY 2007-2008:

Annual Reexaminations (SEMAP Indicator #9) – We have completed 98.4% of the annual reexaminations that are due through October 1, 2007.

Annual Inspections (SEMAP Indicator #12) – We have completed 99.7% of the annual inspections that are due through October 1, 2007.

Lease-Up (SEMAP Indicator #13) – Our current lease-up rate is 92.7%, representing 19,215 assisted families throughout the County. We have 1,459 pending new contracts; 955 voucher holders are seeking housing; and we are concentrating on processing an additional 2,508 applications. Due to our continuing lease-up efforts, we remain on target to reach 95% lease-up by December 31, 2007.

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Office of Inspector General Audit

Pending Audit - HACoLA, as requested, provided a draft response to the HUD OIG preliminary audit report. HACoLA provided comments regarding each cited error from the 26 files. OIG informed HACoLA that its comments would be considered in their audit report, which is expected to be issued in December.

New Audit - OIG recently informed me that they have planned a joint audit of the City and the County of Los Angeles programs (Attachment C). This audit is to encompass a review of employee (and family member) associations to the program as a participant and/or landlord. For your information, we conducted our own review of similar issues earlier this year. All Community Development Commission employees were required to submit a disclosure statement. As a result, we had a few cases in which appropriate actions have been taken to ensure compliance.

Housing Locator Services

Del Richardson and Associates, Inc. (DRA) has successfully located housing for approximately 190 families. DRA is also conducting owner outreach to promote our program and attract more landlords. I made a presentation at an event sponsored by DRA on November 19, 2007 to assist in this effort.

Socialserve.com

The following are current statistics on the contracted Socialserve.com internet-based housing listing service. Over 680,000 housing searches since the June 1, 2007 release date; and as of November 13, 2007, 114,758 searches, 1,846 registered landlords and 1,513 available units.

CJ:ML
Attachments (3)

c: William T Fujioka, Chief Executive Officer
Lari Sheehan, Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Each Deputy
Los Angeles County Housing Commissioners



U.S. Department of Housing and Urban Development
Office of Public Housing
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1040
Los Angeles, CA 90017

OCT 25 2007

Mr. Carlos Jackson
Executive Director
Housing Authority of the
County of Los Angeles
McCaslin Business Park 2 Coral Circle
Monterey Park, California 91755

Dear Mr. Jackson:

SUBJECT: SEMAP Notification Final Score Letter

Thank you for completing your Section 8 Management Assessment Program (SEMAP) certification for the **Housing Authority of the County of Los Angeles**. SEMAP enables HUD to better manage the Section 8 tenant-based Program by identifying PHA capabilities and deficiencies related to the administration of the Section 8 Program. As a result, HUD will be able to provide more effective program assistance to PHAs.

The **Housing Authority of the County of Los Angeles** final SEMAP score for the fiscal year ended **6/30/2007** is **62**. The following are your scores on each indicator.

Indicator 1 Selection from Waiting List (24 CFR 982.54(d)(1 and 982.204(a)	15
Indicator 2 Reasonable Rent (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507	20
Indicator 3 Determination of Adjusted Income (24 CFR part 5, subpart F and 24 CFR 982.516)	0
Indicator 4 Utility Allowance Schedule (24 CFR 982.517)	5
Indicator 5 HQS Quality Control (24 CFR 982.405(b))	5
Indicator 6 HQS Enforcement (24 CFR 982.404)	0
Indicator 7 Expanding Housing Opportunities	5
Indicator 8 Payment Standards (24 CFR 982.503)	5
Indicator 9 Timely Annual Reexaminations (24 CFR 5.617)	10
Indicator 10 Correct Tenant Rent Calculations (24 CFR 5.617)	5
Indicator 11 Pre-Contract HQS Inspections (24 CFR 982.305)	5
Indicator 12 Annual HQS Inspections (24 CFR 982.405(a))	10
Indicator 13 Lease Up	0
Indicator 14 Family Self Sufficiency (24 CFR 984.105 and 984.305)	5
Indicator 15 Deconcentration Bonus	NA

Your overall performance rating is **Standard**. Your PHA has earned a total of **90** points out of **145** possible points.

We have recorded that your PHA has been rated zero on at least one of the performance indicators. Please take the necessary corrective action to ensure compliance with program rules. For each zero rating, you must send HUD a written report describing the corrective action taken within 45 calendar days of the date of this letter or HUD may require a written corrective action plan. HUD regulation 24 CFR 985.104 states a PHA may appeal its overall performance rating to HUD by providing justification for the appeal reasons.

Thank you for your cooperation with the SEMAP process. If you have any questions, please contact Theodore W. Skonos, Public Housing Revitalization Specialist at (213) 534-2614.

Sincerely,



K.J. Brockington
Director
Office of Public Housing

Each check mark in the Corrective Action Plan Timeline represents the completion date of all tasks within a Management Area or Indicator.

CORRECTIVE ACTION PLAN TIMELINE				
Management Area or Indicator	Submittal/ Closure Date 9/17/07	Submittal/ Closure Date 10/17/07	Submittal/ Closure Date 11/17/07	Submittal/ Closure Date 12/18/07
Governance				√
Organization and Staffing		√		
Finance			√	
Procurement	√			
MIS	√			
Program Management		√		
Indicator 1 – Selection from the Waiting List		√		
Indicator 2 – Rent Reasonableness	√			
Indicator 3 – Determination of Adjusted Income			√	
Indicator 4 – Utility Allowance Schedule	√			
Indicator 5 – HQS Quality Control Inspections	√			
Indicator 6 – HQS Enforcement			√	
Indicator 7 – Expanding Housing Opportunities	√			
Indicator 8 – Payment Standards	√			
Indicator 9 – Annual Reexaminations			√	
Indicator 10 – Correct Tenant Rent Calculations			√	
Indicator 11 – Pre-contract Housing Quality Standards (HQS) Inspections	√			
Indicator 12 – Annual Housing Quality Standards Inspections			√	
Indicator 13 – Lease-up			√	
Indicator 14 – Family Self-Sufficiency (FSS)			√	



Attachment C

U.S. Department of Housing and Urban Development

Office of Inspector General

Region IX

611 West Sixth Street, Suite 1160

Los Angeles, California 90017-3101

(213) 894-8016

Fax (213) 894-8115

November 2, 2007

Mr. Carlos Jackson
Executive Director
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

Dear Mr. Jackson,

This is to notify you that HUD's Office of Inspector General is planning to perform a joint audit of the Housing Authority of the City of Los Angeles and the Housing Authority of the County of Los Angeles' Section 8 Programs. The objective of our review will be to determine whether Section 8 properties owned by authority employees are managed in accordance with HUD rules and regulations.

Ms. Pamela Martin of my staff will contact you within the next two weeks to arrange an entrance conference date and to begin the audit work. To assist us in initiating this effort, we request that you make the following available at the entrance conference:

- Current organizational chart,
- Employee listing,
- List of individuals within your organization who you know own or have interest in Section 8 properties, and
- Electronic copy of the HAP register.

Should you have any questions, please contact Vincent Mussetter, Assistant Regional Inspector General for Audit, or Pamela Martin, at (213) 894-8016. Thank you for your cooperation in this matter.

Sincerely,

Joan Hobbs

Regional Inspector General for Audit

cc: Rudolf Montiel, Executive Director, HACLA
K. J. Brockington, Director, Office of Public and Indian Housing, 9DPH